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Report Highlights:

The Dutch retail sector is fairly consolidated, with the two largest food retailers controlling nearly 60 percent of the market. Consumers in the Netherlands are increasingly looking for sustainable products, products that are healthy, and convenience products. They are expected to continue to buy more plant-based foods and private label brands as well. Because of the coronavirus pandemic, consumers have treated themselves through the buying of comfort foods as a form of compensation. The market share for shopping online also grew last year. Online shopping is expected to remain popular, and consumers are expected to continue to utilize home delivery services for their groceries. Finally, food retailers are expected to continue to invest in innovative foodservice concepts at their supermarkets in order to attract customers.

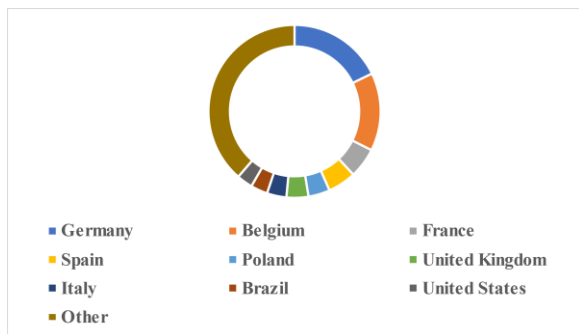
Market Fact Sheet: The Netherlands

Executive Summary:

Although the Netherlands is a small country geographically, it is the gateway for U.S. products into the European Union (EU) due to the presence of the Port of Rotterdam, Amsterdam Schiphol Airport, the confluence of two major European rivers, and an excellent road and railway infrastructure. It is the largest importing country within the EU and continues to be the second largest exporter of agricultural products in the world, after the United States and ahead of Germany. These exports include products produced in the Netherlands as well as imported products that are re-exported, often after further processing and adding value.

Imports of Consumer-Oriented Products:

Products from other EU Member States lead Dutch imports of consumer-oriented products. In 2020, the United States was the tenth largest supplier of these products to the Netherlands, with imports valued at nearly \$1.4 billion.



Source: Trade Data Monitor

Food Processing Industry:

Over 6,930 food companies in the Netherlands generated net sales of \$94 billion in 2020. However, the industry has been adversely affected by the outbreak of the coronavirus (COVID-19) and social distancing measures instituted by the Dutch Government.

Food Retail Industry:

The Dutch retail sector is rather consolidated, employing over 300,000 people and operating over 4,300 stores. This industry profited from the closure of many HRI-Foodservice outlets. The industry’s turnover for 2020 is forecasted at \$50 billion, up nine percent from 2019. High-end supermarkets continue to gain in popularity as consumers are demanding service, variety, and fresh and convenient products.

Foodservice – HRI Industry:

The Dutch foodservice industry’s turnover for 2020 is forecasted at almost \$11 billion, down 34 percent from 2019. The steep decrease is due to the measures taken to prevent the spread of COVID-19. For much of 2020 and 2021, public places, including bars, cafés, and restaurants, have had to temporarily close their doors (with takeout and delivery keeping some restaurants afloat).

Quick Facts CY2020

Imports of Consumer-Oriented Products, total:
\$45.4 billion

List of Top 10 Growth Products in the Netherlands (imported from the World):

- | | |
|-------------------|----------------|
| 1. Wine | 6. Cheese |
| 2. Avocados | 7. Meat |
| 3. Bananas | 8. Pet food |
| 4. Bread & pastry | 9. Cranberries |
| 5. Grapes | 10. Coffee |

Food Industry by Channels 2020:

Consumer-Oriented Products Imports	\$45.4 billion
Consumer-Oriented Products Exports	\$83.5 billion
Agricultural & Related Products Imports	\$87.5 billion
Agricultural & Related Products Exports	\$120.0 billion
Food Industry	\$94.0 billion
Food Retail	\$50.0 billion
Food Service	\$10.6 billion

Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	35.0%	6. Dirk/Deka	5.3%
2. Jumbo	21.5%	7. Coop	3.9%
3. Lidl	10.7%	8. Deen	2.0%
4. Plus	6.7%	9. Hoogvliet	2.0%
5. Aldi	5.5%	10. Jan Linders	1.2%

GDP/Population:

Population: 17.5 million
GDP: \$798 billion
GDP per capita: \$44,614

Strengths/Weaknesses/Opportunities/Challenges

Strengths:

U.S. producers are professional, offer great variety, and deliver products with a consistent quality. U.S. farmers have a good story to tell about sustainability, farm to table supply chains, and their State/regional heritage.

Weakness:

Shipping time & costs, import tariffs, and EU labeling regulations make U.S. products more expensive. Some U.S. food products suffer from a negative perception among Dutch consumers due to misinformation and an image issue.

Opportunities:

Importers of products targeting supermarkets have had good experiences working with U.S. suppliers. There is a growing demand for functional, fresh, and processed food products that contribute to a healthier lifestyle.

Threats:

There is fierce competition on price, quality, uniqueness, and innovation from other EU member states and from third countries that have negotiated lower tariff rates, such as Canada and Mexico.

Data and Information Sources: Trade Data Monitor, industry experts, company websites
Contact: FAS/The Hague, agthe Hague@fas.usda.gov

SECTION I. MARKET SUMMARY

Overall Business Climate

The fundamental strengths of the Dutch economy continue to be the Netherlands' stable political climate, highly developed financial sector, strategic location, a well-educated and productive labor force, and high-quality physical and communications infrastructure. According to the latest economic outlook of the Netherlands Bureau for Economic Policy Analysis (CPB), the Dutch economy will grow by three percent in both this and next, following a contraction of over four percent last year. Unemployment is expected to rise to five percent and subsequently decrease to 4.1 percent over the course of next year, particularly affecting young people, employees on a flexible employment contract, and self-employed independents. Additional information on the overall business climate in the Netherlands can be found on the website of the CPB at: <https://www.cpb.nl/en/forecasts>.

Dutch Food Retail Market

In 2020, the turnover of the Dutch food retail industry grew by almost nine percent and totaled €45 billion (\$50¹ billion). This is the biggest increase in years and a direct result of the coronavirus (COVID-19) pandemic. With the closure of most foodservice outlets during the Netherlands' lockdown, consumers increasingly bought food products at their local supermarkets and specialty stores. In general, all food retail outlets saw sales increase in 2020, except for supermarkets and convenience stores located in tourist-focused areas, busy shopping streets, train stations, airports, and other places that depend on foot traffic saw last year a significant decline in sales.

There are approximately 4,300 food retail outlets in the Netherlands accounting for nearly 300,000 jobs. Roughly 80 percent of all food retail outlets are full-service supermarkets, operating on floor space between 500 and 1,500 square meters and located downtown in cities or residential areas. Retailers with full-service supermarkets have responded to the consumer preference to have these supermarkets close to their homes. The remaining 20 percent includes: predominantly 'on the go' or convenience stores including *SPAR City*, *Jumbo City*, *COOP Vandaag*, and *AH To Go*, located near office buildings, train/metro stations, and high traffic areas in city centers; some wholesalers; and just a few superstores like *Albert Heijn XL* and *Jumbo Foodmarkt*, all conveniently located in shopping malls or industrial parks.

The top two food retailers in the Netherlands, Albert Heijn and Jumbo, had a combined market share of 56.5 percent in 2020. The market share held by German discounters, Aldi and Lidl, combined at almost 16.2 percent last year. Independent food retail stores are increasingly leaving the market due to shrinking margins, growing competition from online sales, and on-going consolidation. The latest market shares of leading food retailers in the Netherlands can be found online at: <https://www.foodclicks.nl/nieuws/marktaandeel-jumbo-stijgt-het-hardst-in-2020/>.

¹ \$1 = €0.9

Market Dynamics

Sustainable Food Products

Over the last decade, Dutch food retailers increasingly prefer to source food products which are produced sustainably or obtained in a sustainable manner. Wageningen University and Research (WUR) publishes the “Monitor Duurzaam Voedsel” report annually, which provides an overview of consumer spending on sustainable food in the Netherlands. The most recent figures available are for 2019. Total consumer spending on foods certified as sustainable grew by an impressive 18 percent in 2019 to more than €7.7 billion (\$8.6 billion). The share of sustainable food compared to total spending on food grew to 14 percent in 2019. Sustainable food products are recognizable by consumers when they have a quality mark. Products with the animal welfare ‘Better Life’ (Dutch: Beter Leven) quality mark were sold the most (€2.8 billion) followed by products labeled as organic (€1.6 billion) and product with the ‘UTZ Certified’ quality mark (€1.5 billion).

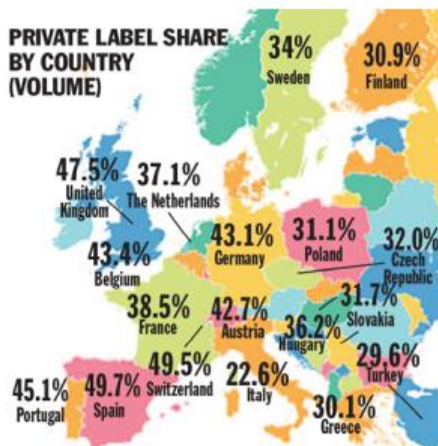


Sustainable food is expected to remain one of the fastest growth markets in the Dutch food industry in the year to come, and the consumption of certified sustainable products is expected to continue to increase. A wider range of certified products and changing consumer preferences — paying more attention to sustainability and health — explains the growth in demand for these products. Most of the spending takes place in the supermarket, mainly due to the wide availability of sustainable products.

Private Label Products

Nielsen figures show that the market share for private labels in 2020 was strong at 30 percent or higher in almost all European countries. Leading the market were still Spain and Switzerland where every second product sold was a retailer brand, the Netherlands’ market share increased to 37.1 percent, <https://www.plmainternational.com/industry-news/private-label-today>.

Picture 1. Private Label Market Shares



Source: www.plmainternational.com

Several retailers in the Dutch market have developed two private labels; one focusing on price and the other on enhanced quality. Consumers are discovering the good value-for-money that private label brands are offering and that they can be an economical alternative for A-branded products. Private labels appear to fare well both in years of recession and in more prosperous times. The profitability of private label products has fueled retailers’ interest to offer more (e.g. gluten-free, healthy, and organic) and move into new areas for private labels, such as bakery and cosmetics.

The largest trade show in the world for the private label industry, the Amsterdam Private Label Manufacturers Association (PLMA) fair, is held annually in the Netherlands. The next edition is

scheduled for December 14-15, 2021. Please contact agthehague@usda.gov if you are a U.S. interested party and require more information about the show.

Online Shopping

The market for shopping online (as a percentage of the total food retail) grew quickly last year and is now estimated at 6.7 percent. By 2025, the Central Bureau of Food Products (Centraal Bureau van Levensmiddelenhandel, CBL) expects online shopping to reach ten percent. Almost all supermarket chains are active online. Products ordered online can be delivered at your house or can be collected at one of the 1,000 pick-up points in the Netherlands. [Picnic](#) is the only Dutch supermarket that exclusively operates online and its market share was estimated at 25 percent in 2020 and its introduction in 2015 further boosted the online sales of groceries in the Netherlands. Of the Dutch consumers who shop online, consumers in the age group of 18-44 are most likely to do so, driven by a desire to save time and money. Consumers are likely to continue to shop online if they have a high-quality online experience and reliable delivery of the purchased goods.

Industry Consolidation is Blurring Boundaries

Consumers are no longer shopping at traditional times and or locations, particularly in Dutch cities. Breakfast is increasingly bought on the way to work. During lunch breaks, people decide what they want to eat for lunch and buy it on the spot. Dinner is more often bought on the way home. As a result, innovative convenience stores, either small independent or part of a larger chain, are opening near metro/train stations, schools, office buildings, and shopping malls. For expansion, food retailers are now looking at other, perhaps less-conventional locations that attract a lot of people traffic, including hospitals, schools, and office buildings or near highways, train stations, and airports.

Plant-Based Diets

Another growing trend in the Netherlands, according to a Euromonitor[®], is the rising interest in plant-based diets, supported not only by an increase in the number of vegetarians or vegans in the country, but also a general shift in consumer lifestyles. Specifically, the health trend is encouraging an increasing number of consumers to adopt a flexitarian attitude and reduce the amount of animal-based products that they consume. Sustainability, concerns over animal welfare, and health trends are driving this movement, which continues to benefit sales of meat substitutes. Meat-free alternative diets are moving into the mainstream as Unilever took over the Dutch company *De Vegetarische Slager* (The Vegetarian Butcher) and Beyond Meat expanded production in the Netherlands through its cooperation with Zandbergen. The latter is based on pea protein and is now distributed in a high proportion of Albert Heijn's stores across the Netherlands, with the retailer placing the product on the chilled processed meat aisle, inviting consumers to try the meat-free alternative.

Meat Consumption Under Pressure

Eight in ten Dutch adults report they do not eat meat every day and 45 percent report they eat meat a maximum of four times a week, according to national statistics agency [CBS](#). Nearly a third of adults say they reduced their meat consumption last year. In total, 95 percent of Dutch adults still eat meat, three percent eat fish (not meat), two percent are vegetarians, and almost half a percent avoid animal products altogether. The CBS also found that people with a university degree are more likely to be vegetarian or pescatarian – 10 percent of university graduates do not eat meat at all – and women are more likely to be vegetarian than men. A group of 50 Dutch academics have written to the negotiator for the next Dutch Government Coalition to recommend the next government make meat one to three percent more

expensive, in order to suppress demand. The Dutch climate agreement includes a 40 percent reduction in meat consumption among its targets, which can only be reached if the product is more expensive, according to researchers from various Dutch universities.

Health and Well-Being

Consumers are becoming more aware of and are more concerned about the effect foods may have on their health and well-being. There is a trend towards a healthier lifestyle in Western countries. The following U.S. industries have all benefitted from this trend: healthy food snacks, tree nuts, so-called super fruits, seafood, products with special certification, and pulses. Consumers are looking for and finding more information on healthier living, including from influencers who are rapidly gaining power in persuading consumers. Food retailers play a crucial role as well, as they market food products to create, anticipate, and meet consumers’ needs.

Nutrition Labeling



Dutch consumers are becoming increasingly aware of the need to reduce their sugar, salt, and fat intake, particularly with the rising incidence of diabetes and obesity in the Netherlands. According to Euromonitor®, this has led to food companies producing healthier and higher quality packaged food. EU Member States are allowed to permit the use of additional forms of expression or presentation of the nutrition declaration, such as front-of-pack labeling, see [the Netherlands Food and Agricultural Import Regulations and Standards Report, December 15, 2020](#).

In 2019, the Dutch government chose to endorse the Nutri-Score scheme, a scheme that includes a color-coded designation from A (highest nutritional quality) to E (lowest nutritional quality) and to be introduced in 2021. To date, the Ministry of Health, Welfare and Sport (VWS) has not given its definitive green light. Dutch Supermarkets have indicated they can't wait any longer for final approval from the Government and are starting preparations to introduce private label products with the Nutri-Score in 2021.

Table 1. Advantages and Challenges of the Dutch Food Retail Market

<i>U.S. Supplier Strengths & Market Opportunities</i>	<i>U.S. Supplier Weaknesses and Competitive Threats</i>
Importers of products targeting supermarkets have had good experiences working with U.S. suppliers because they are professional and deliver products with a consistent quality. U.S. companies also have a great variety of innovative products to offer.	The Dutch are price-conscious consumers. Transatlantic transportation is costly which adds to the price. Products from the United States are subject to import tariffs. Suppliers from other EU Member States have a competitive advantage on tariffs, transportation costs, and transportation time.
Growing demand for food products with a special claim and sustainable production methods. U.S. farmers have a good story to tell (provenance) about sustainability, their supply chain (farm-to-table) and their State/regional heritage.	Growing demand for single-portion packaged food products. U.S. companies tend to manufacture packaged food in larger packages. Transatlantic transportation takes time which can negatively impact the remaining shelf life of U.S. products.
Growing demand for new products, innovative food concepts, and international cuisine. U.S. producers fabricate products that are innovative, often trend setting, and known for their strong brands.	Some products fabricated by U.S. food producers suffer from a negative perception among Dutch consumers due to misinformation (e.g. local and small-scale is better) or an image issue (e.g. U.S. foodstuffs are unhealthy).
The Netherlands is the most important gateway for American products to the EU.	Beef that is not hormone-free, poultry, live bivalve mollusks and products containing GMO derived ingredients (that are not EU approved) cannot be exported to the Netherlands.

Growing demand for functional, fresh, and processed food products that contribute to a healthier lifestyle.	The EU has several Free Trade Agreements that may advantage other 3 rd country competitors, including Canada and Mexico.
	Fierce competition on price, quality, uniqueness, and innovation.

Source: FAS/The Hague

SECTION II. ROAD MAP FOR MARKET ENTRY

U.S. exporters seeking to enter the Dutch market place have many advantages, as indicated in the above table. However, there are a number of challenges U.S. exporters must meet before exporting to the Dutch market.

Entry Strategy

Success in introducing your product into the Dutch market will depend mainly on your knowledge of the market and your ability to build relationships with knowledgeable and established importers. An importer knows the market, the trade barriers, and the required documentation. Prior to any exporting, invest in research that analyzes the Dutch food culture (e.g., concepts, flavor, prices, requirements, etc.). Once the product has been chosen, be aware that the competition will be fierce. There are tariff and non-tariff trade barriers that can complicate exporting to the Dutch market. The EU also has several Free Trade Agreements (FTAs) which may advantage other third country competitors. FAS/The Hague offers guidelines on business practices and import regulations and also maintains lists of Dutch buyers. Please contact our office in The Hague by email at agthehague@usda.gov for additional information.

Market Structure

Figure 1. Distribution Channel Flow Diagram



Source: FAS/The Hague

The vast majority of supermarkets and superstores buy foreign products via specialized importers. This is especially true for retail-ready consumer-oriented products like sauces, condiments, beverages, produce, and snack products from overseas markets. In general, convenience stores operate on a much smaller scale and, therefore, often buy smaller quantities through wholesalers. Department stores work either through importers or sometimes buy directly from U.S. exporters. Many imported intermediate and even some consumer-oriented products are often processed, mixed, or packed before being sold to the consumer. Products like tree nuts, bulk wines, and, in most cases, seafood fall into this category.

Retailers increasingly have their stores divided into different categories. For each category they will have two or three preferred suppliers who are responsible for supplying the full range of products within that category. This way, the retailer negotiates with just a handful of suppliers for produce, meat products, seafood products, groceries, beverages, bakery products, etc. For the international specialty products (covering branded retail ready U.S. products) area within supermarkets, retailers usually work with only a few specialized importers who are responsible for selecting products and filling those shelves.

Company Profiles

As described in Section I, the Dutch retail industry is rather consolidated; however, on the purchasing side, the industry is even more consolidated since several smaller food retailers have joined forces. The following figures data will give you an overview of the different buying combinations in the Netherlands.

Table 2. Leading Buying Groups in the Netherlands

Purchase Group:	Market Share, percentage:	Name of retail formats:
Albert Heijn Provincialeweg 11, 1506 MA Zaandam www.ah.nl	35.0	Albert Heijn, AH XL, Albert.nl, AH To Go
Superunie Industrieweg 22B, 4153 BW Beesd www.superunie.nl	27.3	Plus, Deen, Coop, Hoogvliet, Spar, Boni-Markten, Boon Beheer, Detailresult Groep, Jan Linders, Nettorama Distributie, Poiesz, Sligro
Jumbo Groep Holding Rijksweg 15, 5462 CE, Veghel www.jumbo.com	21.5	Jumbo
Lidl Huizermaatweg 45, 1273 NA Huizen www.lidl.nl	10.7	Lidl
Aldi Holding Pascalweg 21, 4104 BE Culemborg www.aldi.com	5.5	Aldi

Source: <https://www.foodclicks.nl/nieuws/marktaandeel-jumbo-stijgt-het-hardst-in-2020/>

Most of the food retail stores are full-service supermarkets. In addition, there are some department stores (HEMA and Bijenkorf), convenience stores, gas markets (Deli2Go Shell Station, Go Fresh Bakery, Café Bonjour, and Wild Bean Café) and wholesalers (Hanos, De Kweker, Sligro, Makro, Bidfood, VHC – Horesca, and Zegro) that all sell food products.

SECTION III. COMPETITION

In 2020, total Dutch agricultural and related product imports were valued at \$87.5 billion, up 5.5 percent from 2019. Imports from the United States totaled \$3.3 billion, also up by 5.5 percent. The United States is the 10th largest supplier of consumer-oriented products to the Netherlands, after several EU member states and the UK, Brazil, and South Africa. While total Dutch imports of consumer-oriented products remained unchanged in 2020 compared to 2019, imports from the United States (\$1.36 billion) were up by 1.4 percent, driven by higher imports of food preparations, distilled spirits, non-alcoholic beverages, bakery goods, sauces and condiments, and other products.

The table below summarizes the competitive situation that U.S. suppliers face in the Dutch food retail market in terms of locally produced goods and imports (and their respective market shares). In addition, the strengths of supplying countries and also the advantages and disadvantages of local suppliers are discussed.

Table 3. Netherlands' U.S. Market Share Versus Main Suppliers' Market Share in Consumer Oriented (U.S. exports), Million USD, 2020

Product Category (product code) Imports in \$ million	Main Suppliers, in percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Craft beer (HS2203) Total imports: \$490 From USA: \$5	1. Belgium 53 2. Germany 13 3. The U.K. 9 4. France 8 9. USA 1	Competition from neighboring countries, dominated by Belgium and Germany.	Despite the closure of restaurants for many week, imports were up. Strong demand for new flavors, funky labels, and innovative tastes.
Sweet potatoes (HS071420) Total imports: \$158 From USA: \$80	1. USA 51 2. Egypt 14 3. The U.K. 12 4. Spain 5 5. Belgium 3 6. China 3 7. Honduras 3	Competition from Egypt, Spain, China, and Honduras. The U.K. and Belgium do not produce but re-export sweet potatoes.	Despite the closure of restaurants for many week, imports were up. Supermarkets are increasingly selling fresh and processed sweet potatoes. Demand for variety and quality products.
Condiments and sauces (Product group) Total imports: \$542 From USA: \$16	1. Germany 20 2. Belgium 14 3. Italy 9 4. The U.K. 9 5. Poland 8 11. USA 3	First four suppliers benefit from proximity and first three from being in the EU market.	Demand for good quality and unique products has grown during COVID-19 pandemic. Consumers also treated themselves more through buying more comfort food as a form of compensation.
Walnuts (HS080231) Total imports: \$9 From USA: \$5	1. USA 54 2. Chile 25 3. Germany 9 4. France 7 5. Hungary 3	Competition from Chile, France, and Hungary. Germany does not produce but re-exports walnuts.	Growing demand from the snack industry. Walnuts benefit from their healthy reputation.
Ice cream (HS210500) Total imports: \$246 From USA: \$3	1. Belgium 40 2. Germany 25 3. The U.K. 9 4. France 7 5. Italy 7 8. USA 1	1, 2, 3, 4 and 5 are close to the market and offer good quality products.	Demand for good quality and unique products.
Distilled spirits (Product group) Total imports: \$923 From USA: \$51	1. The U.K. 20 2. Belgium 17 3. Germany 16 4. France 7 5. USA 6 6. Spain 5	All, except the USA, are close to the market and offer good quality products.	Demand for branded, good quality, and unique products that have a story to tell.
Pistachios, shelled (HS080252) Total imports: \$13 From USA: \$3	1. Turkey 28 2. Germany 27 3. USA 25 4. Iran 6 5. Belgium 6	Turkey, and to a lesser extend Iran, competes with the United States while Germany and Belgium re-export imported pistachios.	Growing demand from the snack industry. Pistachios benefit from healthy image.
Non-Alcoholic beverages (Product group) Total imports: \$1,035 From USA: \$44	1. Germany 32 2. Belgium 24 3. Austria 13 4. France 9 5. USA 4	All, except the USA, are close to the market and offer good quality products.	Demand for branded, good quality, and unique products that have a story to tell.

Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS

A. U.S. Products Present In The Market That Have Good Sales Potential

- Nuts and dried fruits
- Fresh produce
- Alcoholic and non-alcoholic beverages
- Sauces and condiments

B. Top Consumer-Oriented Products from the World

- Wine
- Beef
- Food preparations
- Grapes

C. Top Consumer-Oriented Products from the United States

- Processed fresh produce
- Beef and beef products
- Almonds, walnuts, and pistachios
- Alcoholic and non-alcoholic beverages

D. U.S. Products Not Present In Significant Quantities But Which Have Good Sales Potential

- Functional/health/free-from foods
- High value organic products
- Innovative sauces, condiments, and confectionary products

E. U.S. Products Not Present Because They Face Significant Barriers

- Poultry (sanitary procedures)
- bivalve molluscan shellfish (n.b. the U.S. and EU are working to reopen bilateral trade targeting fall 2021)
- Processed food with GMO ingredients, bleached flour etc.

SECTION V. POST CONTACT AND FURTHER INFORMATION

USDA - Foreign Agricultural Service (FAS)/The Hague, the Netherlands

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Attachments:

No Attachments